

## **BILL ANALYSIS**

Senate Research Center

S.B. 1285  
By: Watson  
State Affairs  
8/25/2011  
Enrolled

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

S.B. 1285 is the result of an agreement between the Austin Police Retirement System, the police officers, and the City of Austin. It formalizes an agreement that was negotiated in lieu of a salary increase for officers.

The proposed bill contains no increase in benefits. Instead, the city will increase its contribution rate to the system by one percent of covered payroll in the city's fiscal year (FY) 2011-2012 and by a second one percent, which results in a total of two percent, in all fiscal years thereafter.

The city contribution levels as a percentage of members' earnings under the bill would be 19 percent in FY 2011, 20 percent in FY 2012, and 21 percent in FY 2013.

This agreement will secure the financial security of those who serve the City of Austin in a more cost-effective manner.

S.B. 1285 amends current law relating to contributions to the retirement systems for certain police officers in certain municipalities.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Sections 8.01(a)(1) and (a)(2), Chapter 452 (S.B. 738), Acts of the 72nd Legislature, Regular Session, 1991 (Article 6243n-1, V.T.C.S.), as follows:

(1) Requires that deposits by the members to the police retirement system be made at a rate of at least 13 percent, rather than six percent, of the basic hourly earnings of each member. Makes conforming changes.

(2) Requires the city to contribute amounts equal to 18 percent of the basic hourly earnings of each member employed by the city for all periods on or before September 30, 2010, subject to additional amounts as provided by Subdivision (3) (relating to contributions from the city to fund liabilities incurred by the police retirement system) of this subsection. Requires the city to contribute amounts equal to 19 percent of the basic hourly earnings of each member employed by the city for all periods after September 30, 2010, and before October 1, 2011, subject to additional amounts as provided by Subdivision (3) of this subsection. Requires the city to contribute amounts equal to 20 percent of the basic hourly earnings of each member employed by the city for all periods after September 30, 2011, and before October 1, 2012, subject to additional amounts as provided by Subdivision (3) of this subsection. Requires the city to contribute amounts equal to 21 percent of the basic hourly earnings of each member employed by the city for all periods after September 30, 2012, subject to additional amounts as provided by Subdivision (3) of this subsection. Authorizes the city council to also authorize the city to make additional contributions to the police retirement system in whatever amount the

city council may determine. Requires that contributions by the city be made each pay period.

SECTION 2. Effective date: September 1, 2011.